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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT**

PIXELS.COM, LLC, an Illinois limited  
liability company,

Plaintiff,

v.

INSTAGRAM, LLC, a Delaware limited  
liability company,

Defendant.

Case No. 2:14-CV02337

**COMPLAINT FOR DECLARATION OF NON-  
INFRINGEMENT AND NON-DILUTION OF  
TRADEMARK RIGHTS AND FOR  
ANTITRUST VIOLATION**

**DEMAND FOR JURY TRIAL**

- (1) Declaratory Judgment of Non-Infringement**
- (2) Declaratory Judgment of No Common Law Infringement**
- (3) Declaratory Judgment of No False Designation of Origin (15 U.S.C. §1125(a))**

(4) **Declaratory Judgment of No Unfair Competition (15 U.S.C. §1125(a))**

(5) **Declaratory Judgment of No Dilution (15 U.S.C. §1125(c))**

(6) **Declaratory Judgment on Equitable Grounds**

(7) **Violation of Antitrust Laws (15 U.S.C. §1125(b)(7); 15 U.S.C. §2)**

(8) **Unfair Business Practices (Cal. Bus. & Prof. Code §17200)**

## COMPLAINT

Plaintiff Pixels.com, LLC (“Plaintiff” or “Pixels”), by its attorneys, for its complaint against Defendant Instagram, LLC (“Defendant” or “Instagram”) hereby alleges as follows:

### INTRODUCTION

1. This is an action by Plaintiff for a declaratory judgment of non-infringement and non-dilution of Defendant’s INSTAGRAM trademark rights. Plaintiff seeks a declaration that its use of its INSTAPRINTS mark does not infringe or dilute Defendant’s rights in its INSTAGRAM trademark. Plaintiff also seeks a judgment that Defendant has misused its alleged trademark rights in violation of federal antitrust laws and California state unfair competition laws.

2. On October 1, 2012, Plaintiff filed an application with the United States Patent and Trademark Office (“USPTO”) to register the INSTAPRINTS mark, which the USPTO determined was not confusingly similar to any of Defendant’s INSTAGRAM registered marks. Despite the USPTO’s determination, on February 5, 2014, Defendant filed a Notice of Opposition objecting to registration of Plaintiff’s INSTAPRINTS mark before the USPTO’s Trademark Trial and Appeal Board, claiming that Plaintiff’s use and registration of its INSTAPRINTS mark infringes and dilutes Defendant’s rights in its INSTAGRAM marks. Plaintiff brings this action to clarify the rights of the Parties.

3. Despite the relative weakness of the component parts of its INSTAGRAM marks—the mark is a composite of the prefix “insta” derived from “instamatic” cameras and the

1 suffix “gram” from the word “telegram”—Defendant has opposed over sixty trademark  
 2 applications with little apparent consideration for the merits of such oppositions. Defendant has  
 3 engaged in this purposeful campaign of objectively baseless litigation in an unlawful effort to  
 4 prevent the registration and/or use of marks that businesses adopted, in certain cases, based on  
 5 affirmative assurances by Defendant that such marks were not infringing. Many of the third-party  
 6 marks that have been the subjects of Defendant’s objection are used or proposed for use in  
 7 connection with goods and services that are wholly distinct from the goods and services  
 8 Defendant offers in connection with its marks.

9 4. Upon information and belief, and as further alleged below, in an effort to avoid the  
 10 affirmative equitable defenses to infringement that would be available to these third-parties in  
 11 court and in an effort to monopolize the markets for certain Internet-based services, Defendant  
 12 has misused its trademark rights by exceeding the scope of its legal rights, resulting in injury to  
 13 fair and free competition.

#### 14 **PARTIES**

15 5. Pixels is an Illinois limited liability company having its principal place of business  
 16 at 1450 Second Street, Santa Monica, California 90401.

17 6. Instagram is a Delaware limited liability company having its principal place of  
 18 business at 1601 Willow Road, Menlo Park, California 94025.

#### 19 **JURISDICTION AND VENUE**

20 7. This Court has subject matter jurisdiction in this civil action for Declaratory  
 21 Judgment of non-infringement and non-dilution of trademark rights under the Declaratory  
 22 Judgment Act, 28 U.S.C. §§ 2201 and 2201, as well as under the Lanham Act, 15 U.S.C. §  
 23 1125(a) and (c).

24 8. This court has subject matter jurisdiction in this civil action for trademark misuse  
 25 and violation of antitrust laws of the United States, as well as under the Lanham Act, 15 U.S.C. §  
 26 § 1125(a), *et seq.* and the Sherman Act, 15 U.S.C. §§ 1, *et seq.*

27 9. Venue is proper in this Court under 28 U.S.C. § 1391, because Defendant resides  
 28 in this judicial district and because a substantial portion of the events giving rise to this action

1 occurred in this District. Specifically, Defendant has alleged that Plaintiff's use of its  
 2 INSTAPRINTS mark is an infringement of Defendant's rights in the mark INSTAGRAM and is  
 3 also diluting the INSTAGRAM mark.

#### 4 **INTRADISTRICT ASSIGNMENT**

5 10. Pursuant to Civil L.R. 3-2(c) and General Order No. 44, this case is properly  
 6 assigned to any division of this Court, except that pursuant to Civil Local Rules 3-2(g) and 73-1,  
 7 Plaintiff does not consent to assignment to a Magistrate Judge residing in the Eureka Division.

#### 8 **FACTUAL BACKGROUND**

9 11. Plaintiff incorporates by reference the allegations in the preceding paragraphs of  
 10 the Complaint.

11 12. Plaintiff owns and operates the website located at the domain Instaprints.com,  
 12 which has revolutionized the way that artwork, including photographs, is bought and sold around  
 13 the world. Artists and photographers can upload artwork to Instaprints.com and consumers can  
 14 order artwork in the form of prints, framed prints, canvas prints, greeting cards, and more. Once  
 15 an order is placed, Plaintiff fulfills each order on behalf of the artist/photographer, collecting  
 16 payments from the buyers, and sending a percentage of profits to the artist/photographer.

17 13. Defendant Instagram launched its services on or about October 6, 2010.  
 18 <https://instagram.com/press/>. Defendant Instagram is a social networking website designed to  
 19 allow individuals to share photographs by posting photographs to the site or by sharing them  
 20 through other social media platforms such as Facebook. According to its web site  
 21 <https://instagram.com/>:

22 Instagram is a free and simple way to share your life and keep up  
 23 with other people.

24 Take a picture or video, then customize it with filters and creative  
 25 tools. Post it on Instagram and share instantly on Facebook,  
 26 Twitter, Tumblr and more—or send it directly as a private message.  
 27 Find people to follow based on things you're into, and be part of an  
 28 inspirational community.

14. Plaintiff launched the Instaprints.com website on or about June 25, 2012. Before Plaintiff launched its website and adopted its trademark, it reviewed the Instagram terms of use. These terms of use stated that third-parties were permitted to use the component “INSTA” or the component “GRAM” in trademarks, but were not permitted to use both components in a product name.

15. The relevant portion of the terms of use presented on Instagram’s web site in April, 2012 are reproduced from a screen capture taken from [www.web.archive.org](http://www.web.archive.org) below and attached hereto as Exhibit A:

#### **INSTAGRAM API TRADEMARK AND BRAND GUIDELINES**

- You are not allowed to use the word “Instagram”, “IG” or any variation in your product name, domain name, or images.
- You are not allowed to use the Instagram icon or logo unless specifically allowed in the development documentation.
- If you do incorporate Instagram’s logos, you must include the following statement clearly on your website: “This [application website] uses the Instagram™ API and is not endorsed or certified by Instagram or Burbn, Inc. All Instagram™ logos and trademarks displayed in this [application website] are property of Burbn, Inc.”
- While you cannot use the word “Instagram” or “IG” in your product’s name, **it’s ok to use one (but not both) of the following: “Insta” or “gram”.**
- Note that we reserve the right to reject any use of these terms in connection with the use of the Instagram API. (Emphasis supplied).

16. On or around June 15, 2012, Plaintiff requested and received API credentials from Instagram for use in connection with its Instaprints.com business. API credentials permit one web site to securely obtain data from another web site for a variety of purposes. Developers were actively encouraged to use Instagram API credentials to develop new services to complement Instagram’s online services.

17. In order to receive API credentials from Instagram, Plaintiff was required to register with Instagram. As part of this registration process, applicants including Plaintiff provide the name of their business and their business URL.

1           18. Defendant had a direct interest in developers like Plaintiff launching businesses  
2 that would support and grow the Instagram business. To this end, Instagram provided Plaintiff  
3 and others with API credentials that allow Internet users to import materials from the Instagram  
4 site to third-party sites, including Instaprints.com.

5           19. The more businesses that provide services that are based on the Instagram  
6 technical platform, the more users are developed around the Instagram business, which is a direct  
7 benefit to Instagram. Consumers also benefit from shared API credentials as the interoperability  
8 of platforms permitted by shared API allows consumers to access more goods and services with  
9 greater convenience.

10           20. Instagram's policy of allowing, or even encouraging, the development of  
11 businesses based on the Instagram technical platform that incorporate the formative "Insta" or  
12 "gram" in their name reflected Instagram's understanding and tacit admission of the weakness of  
13 these "insta" and "gram" elements outside of Defendant's composite INSTAGRAM mark.  
14 Indeed, in a 2014 "FAQ" section on the Instagram website, Instagram indicated in response to the  
15 question of where the INSTAGRAM mark derived from that, "When we were kids we loved to  
16 play around with cameras. We loved how different types of old cameras marketed themselves as  
17 "instant" – something we take for granted today. We also felt that the snapshots people were  
18 taking were kind of like telegrams in that they got sent over the wire to others – so we figured  
19 why not combine the two?" A true and correct copy of these FAQ's of Instagram is attached  
20 hereto as Exhibit B. Therefore, by its own admission, Instagram has acknowledged that the  
21 component parts of its mark are descriptive and, hence, weak on their own.

22           21. Defendant had actual knowledge of Plaintiff's adoption and use of the  
23 INSTAPRINTS trademark in 2012. Defendant received and approved Plaintiff's documentation  
24 to receive and use the Instagram API, including the name of Plaintiff's company and business and  
25 URL (which incorporated and/or referenced Plaintiff's INSTAPRINTS mark). Despite its actual  
26 knowledge of Plaintiff's adoption and use of the INSTAPRINTS trademark in 2012, Defendant  
27 did not object to Plaintiff's use of the trademark.  
28

1           22.     Since the launch of Plaintiff's Instaprints.com website in 2012, Plaintiff has  
2 invested tens of thousands of dollars in promoting its goods and services using the  
3 INSTAPRINTS mark and has garnered significant goodwill among consumers as a result of sales  
4 and advertising.

5           23.     Over approximately the past three years, Plaintiff has used and promoted its mark  
6 INSTAPRINTS and the goods and services offered under the INSTAPRINTS mark extensively in  
7 commerce. The products and services offered under the INSTAPRINTS mark have been covered  
8 in mainstream news and business publications including *The Los Angeles Times*, *TechNews*  
9 *Gadget*, and *Mashable*, among others.

10          24.     Instagram knew of Plaintiff's use of the INSTAPRINTS trademark through  
11 Plaintiff's application for and receipt of API credentials, and with this knowledge, Instagram  
12 made both implicit assurances (by issuing Plaintiff its API credentials) and explicit assurances (by  
13 posting terms of use that permitted the branding adopted by Plaintiff) to Plaintiff that its  
14 trademark usage was acceptable to Instagram. Plaintiff reasonably relied upon those assurances.

15          25.     To Plaintiff's knowledge, its use of the INSTAPRINTS marks has never caused an  
16 instance of consumer confusion as to the source, affiliation, or sponsorship of any of its products  
17 or services.

18          26.     Upon information and belief, Defendant does not currently sell, nor has it ever  
19 sold, artwork or prints from photographs uploaded to Instagram.com.

20          27.     On information and belief, Defendant owns U.S. Registration No. 4,170,675 for  
21 the mark INSTAGRAM for use in connection with "downloadable computer software for  
22 modifying the appearance and enabling transmission of photographs" and U.S. Registration No.  
23 4,146,057 for the mark INSTAGRAM for use in connection with "providing a web site that gives  
24 users the ability to upload photographs; technical support services, namely, providing help desk  
25 services in the field of computer software, namely, providing users with instructions and advice  
26 on the use of downloadable computer software, provided online and via e-mail; computer  
27 services, namely, providing an interactive website featuring technology that allows users to  
28 manage their online photograph and social networking accounts." A copy of publicly available

1 information for Defendant's registrations from the U.S. Patent and Trademark Office TSDR  
2 database is attached hereto as Exhibit C.

3 28. On information and belief Defendant has filed a number of applications for  
4 registration of INSTAGRAM in standard character and stylized form in connection with like  
5 goods and services.

6 29. The Parties have been aware of one another, and their mutual use of marks  
7 containing the component INSTA, since 2012.

8 30. The Parties have offered their respective products and services online for years  
9 without conflict or confusion of any kind.

10 31. Despite the fact that Plaintiff's website is compatible with Defendant's platform,  
11 Plaintiff has never experienced even a single instance of consumer confusion as between the  
12 Parties' respective trademarks, products, services or businesses.

13 32. In April 2012, Facebook Inc. purchased Instagram for a purported \$1 Billion  
14 dollars. Exhibit D.

15 33. On October 1, 2012, Plaintiff filed an application with the USPTO for registration  
16 of INSTAPRINTS, U.S. Serial No. 85/742,628, for use on or in connection with "[p]rint  
17 products, namely, art prints on canvas, framed art prints, art prints, acrylic art prints, art prints on  
18 metal, posters, and greeting cards" in Class 16, "[o]nline retail store services featuring print  
19 products, namely, art prints on canvas, framed art prints, art prints, acrylic art prints, art prints on  
20 metal, posters, and greeting cards; advertising services, namely, promoting the artwork of other  
21 artists; promoting visual arts events by means of providing an online events calendar, and  
22 information about art, artists, and art events via an internet website, all for promotional purposes;  
23 online business networking services for artists; online advertising and marketing in the field of  
24 artwork" in Class 35, and "[o]nline photographic and image processing services, namely,  
25 photographic printing, reproduction and retouching; transferring photographic and digital images  
26 from uploaded digital images to imprintable surfaces, namely, printing of photographic images  
27 from digital media." A copy of the publicly available information from the U.S. Patent and  
28 Trademark Office database for Plaintiff's application is attached hereto as Exhibit E.



1           34.     The USPTO examined Plaintiff's INSTAPRINTS application and did not cite any  
2 of the prior registrations for INSTAGRAM as potential bars to registration under a likelihood of  
3 confusion or dilution. The USPTO therefore determined that Plaintiff's mark was registrable.

4           35.     Upon information and belief, sometime in 2013 Instagram adopted new terms of  
5 use that were directly contradictory to its previous terms of use in force at the time Plaintiff  
6 adopted its INSTAPRINTS mark. Despite this diametric shift in its terms of use and Defendant's  
7 knowledge of Plaintiff's use of the INSTAPRINTS mark, Defendant did nothing to prevent  
8 Plaintiff's use of its INSTAPRINTS mark while Plaintiff invested significantly to develop its  
9 business over the next two years.

10          36.     Notwithstanding this long silence and uneventful co-existence in the marketplace,  
11 on February 5, 2014, Defendant filed a Notice of Opposition to registration of Plaintiff's  
12 INSTAPRINTS mark before the United States Patent and Trademark Office Trademark Trial and  
13 Appeal Board, claiming that Plaintiff's use and registration of its INSTAPRINTS mark infringes  
14 and dilutes Defendant's rights in its INSTAGRAM marks. Exhibit F.

15          37.     Plaintiff has denied the salient allegations in the Notice of Opposition before the  
16 Trademark Trial and Appeal Board.

17          38.     In connection with Defendant's formal objection to Plaintiff's INSTAPRINTS  
18 trademark application, Defendant has now contacted Plaintiff through its attorney with a demand  
19 that Plaintiff cease using the INSTAPRINTS mark and adopt a new mark.

20          39.     Based on the action filed before the Trademark Trial and Appeal Board and  
21 Defendant's communications with Plaintiff, through the parties' attorneys, Plaintiff has a real and  
22 reasonable apprehension of federal litigation with regard to the same trademarks and issues  
23 involved in the Trademark Trial and Appeal Board action.

24          40.     There is no likelihood of confusion as to the source, affiliation, or sponsorship of  
25 the Parties' respective products, services, or businesses. Accordingly, Plaintiff's INSTAPRINTS  
26 mark does not infringe any of Defendant's INSTAGRAM marks.

27          41.     Plaintiff's use and registration of its INSTAPRINTS mark is not likely to dilute  
28 Defendant's INSTAGRAM marks.

42. Defendant's claims of infringement and dilution are invalid given the application of the equitable defenses of laches, acquiescence, and estoppel as complete defenses to those claims.

43. Defendant has misused its trademarks in violation of antitrust and state unfair competition laws in a manner that is intended and does in fact cause harm to free and fair competition.

### **COUNT I**

#### **DECLARATORY JUDGMENT FOR NO FEDERAL TRADEMARK INFRINGEMENT** (15 U.S.C. § 1114)

44. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

45. A real and actual dispute, case, and/or controversy exists between the Parties as to a state of facts, in particular Plaintiff's past and continued use of its INSTAPRINTS mark and the registrability of its INSTAPRINTS mark.

46. Plaintiff and Defendant have adverse and antagonistic interests in the subject matter of the dispute, case, and/or controversy.

47. Plaintiff seeks a declaratory judgment that its past and continued use of the INSTAPRINTS mark is not intended or likely to cause confusion, mistake, or deception as between the source, association, or affiliation of the Parties' respective products, services, or businesses, and therefore does not infringe Defendant's INSTAGRAM marks under the Lanham Act, 15 U.S.C. § 1114.

48. Plaintiff further seeks a declaration that its past and continued use of the INSTAPRINTS mark has not and does not jeopardize the goodwill, if any, symbolized by Defendant's registered INSTAGRAM trademarks, nor does it cause any injury to Defendant under the Lanham Act.

49. In the alternative, Plaintiff seeks a declaration that Defendant's claims of trademark infringement and trademark dilution are barred by the equitable defenses of laches, estoppel, and acquiescence.

50. Defendant is further prevented from objecting to or instituting an action or proceeding with respect to Plaintiff's use or registration of its INSTAPRINTS mark because Instagram has misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the intent to stifle competition.

## COUNT II

### DECLARATORY JUDGMENT FOR NO COMMON LAW INFRINGEMENT

51. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

52. A real and actual dispute, case, and/or controversy exists between the Parties as to a state of facts, in particular Plaintiff's past and continued use of its INSTAPRINTS mark and the registrability of its INSTAPRINTS mark.

53. Plaintiff and Defendant have adverse and antagonistic interests in the subject matter of the dispute, case, and/or controversy.

54. Plaintiff seeks a declaratory judgment that its past and continued use of the INSTAPRINTS mark is not intended or likely to cause confusion, mistake, or deception as between the source, association, or affiliation of the Parties' respective products, services, or businesses, and does not infringe Defendant's INSTAGRAM marks under the common law.

55. Plaintiff further seeks a declaration that its past and continued use of the INSTAPRINTS mark has not and does not jeopardize the goodwill, if any, symbolized by Defendant's registered INSTAGRAM trademarks, nor does it cause any injury to Defendant under the common law.

56. In the alternative, Plaintiff seeks a declaration that Defendant's claims of trademark infringement and trademark dilution are barred by the equitable defenses of laches, estoppel, and acquiescence.

57. Defendant is further prevented from objecting to or instituting an action or proceeding with respect to Plaintiff's use of registration of its INSTAPRINTS mark because Instagram has misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the intent to stifle competition.

**COUNT III****DECLARATORY JUDGMENT FOR NO FALSE DESIGNATION OF ORIGIN**

(15 U.S.C. § 1125(a))

58. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

59. A real and actual dispute, case, and/or controversy exists between the Parties as to a state of facts, in particular Plaintiff's past and continued use of its INSTAPRINTS mark.

60. Plaintiff and Defendant have adverse and antagonistic interests in the subject matter of the dispute, case, and/or controversy.

61. Plaintiff seeks a declaratory judgment that its past use and continued use of the INSTAPRINTS mark is not intended or likely to cause confusion, mistake, or deception as between the source, association, or affiliation of the Parties' respective products, services, or businesses, and does not constitute false designation of origin with Defendant's INSTAGRAM marks under the Lanham Act, 15 U.S.C. § 1125(a).

62. Defendant is further prevented from objecting to or instituting an action or proceeding with respect to Plaintiff's use of registration of its INSTAPRINTS mark because Instagram has misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the intent to stifle competition.

63. Plaintiff further seeks a declaration that its past and continued use of the INSTAPRINTS mark has not and does not jeopardize the goodwill, if any, symbolized by Defendant's registered INSTAGRAM trademarks, nor does it cause any injury to Defendant under the Lanham Act.

64. Plaintiff further seeks a declaration that Defendant is prevented from enforcing its trademark rights based on equitable principles of laches, estoppel, and/or acquiescence.

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**COUNT IV****DECLARATORY JUDGMENT FOR NO UNFAIR COMPETITION**

(15 U.S.C. § 1125(a))

65. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

66. A real and actual dispute, case, and/or controversy exists between the Parties as to a state of facts, in particular Plaintiff's past and continued use of its INSTAPRINTS mark.

67. Plaintiff and Defendant have adverse and antagonistic interests in the subject matter of the dispute, case, and/or controversy.

68. Plaintiff seeks a declaratory judgment that its past and continued use of the INSTAPRINTS mark is not intended or likely to cause confusion, mistake, or deception as between the source, association, or affiliation of the Parties' respective products, services, or businesses, and does not unfairly compete with Defendant under the Lanham Act, 15 U.S.C. § 1125(a).

69. Defendant is prevented from objecting to or instituting an action or proceeding with respect to Plaintiff's use of registration of its INSTAPRINTS mark because Instagram has misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the intent to stifle competition.

70. Plaintiff further seeks a declaration that its past and continued use of the INSTAPRINTS mark has not and does not jeopardize the goodwill, if any, symbolized by Defendant's registered INSTAGRAM trademarks, nor does it cause any injury to Defendant under the Lanham Act.

71. Plaintiff further seeks a declaration that Defendant is prevented from enforcing its trademark rights based on equitable principles of laches, estoppel and/or acquiescence.

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**COUNT V****DECLARATORY JUDGMENT FOR NO DILUTION**

(15 U.S.C. § 1125(c))

72. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

73. A real and actual dispute, case, and/or controversy exists between the Parties as to a state of facts, in particular Plaintiff's past use and continued use of its INSTAPRINTS mark and the registrability of its INSTAPRINTS mark.

74. Plaintiff and Defendant have adverse and antagonistic interests in the subject matter of the dispute, case, and/or controversy.

75. Plaintiff seeks a declaratory judgment that its past use and continued use of the INSTAPRINTS mark is not likely to cause dilution of Defendant's INSTAGRAM Marks under the Lanham Act, 15 U.S.C. § 1125(c).

76. Plaintiff further seeks a declaration that its past and continued use of the INSTAPRINTS mark has not and does not cause blurring of or tarnish Defendant's registered INSTAGRAM trademarks, nor does it cause any injury to Defendant under the Lanham Act.

77. In the alternative, Plaintiff seeks a declaration that Defendant's claims of trademark infringement and trademark dilution are barred by the equitable defenses of laches, estoppel, and acquiescence.

78. Defendant is prevented from objecting to or instituting any action or proceeding with respect to Plaintiff's use of registration of its INSTAPRINTS mark because Instagram has misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the intent to stifle competition.

**COUNT VI****DECLARATORY JUDGMENT ON EQUITABLE GROUNDS**

79. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

1           80.     Plaintiff relied upon the Defendant's affirmative statements in the form of its terms  
2 of use that informed Pixels that it was permitted to adopt and use the INSTAPRINTS mark.

3 Defendant thereby expressly consented to, if not encouraged, Pixels' adoption and use of the  
4 INSTAPRINTS mark and is therefore actually estopped from enforcing its rights against Pixels.

5           81.     Defendant was aware of Plaintiff's use and promotion of its INSTAPRINTS mark  
6 since at least as early as May 2012 and affirmatively approved such use by Plaintiff.

7           82.     Until the filing of the Opposition, Defendant did not object to Plaintiff's use and  
8 promotion of its INSTAPRINTS mark for nearly two years. In so doing, Defendant knowingly  
9 acquiesced to Pixels' adoption and use of its INSTAPRINTS mark.

10          83.     Plaintiff relied on Defendant's unreasonable period of silence and inaction in  
11 continuing to use and promote its INSTAPRINTS mark.

12          84.     Plaintiff relied on Defendant's encouragement of third parties, including Plaintiff  
13 itself, to use the component "INSTA" in using and promoting its services in connection with the  
14 INSTAPRINTS mark.

15          85.     Plaintiff is unfairly prejudiced by Defendant's Opposition and would be further  
16 unfairly prejudiced by any further attempt by Defendant to institute any additional action or  
17 proceeding with respect to Plaintiff's use or registration of its INSTAPRINTS mark in connection  
18 with its business given Defendant's unreasonable delay.

19          86.     Defendant is barred from objecting to or instituting any action or proceeding with  
20 respect to Plaintiff's use or registration of INSTAPRINTS marks in connection with its business,  
21 based on laches, acquiescence, estoppel, and/or other equitable principles.

22          87.     Defendant is prevented from objecting to or instituting any action or proceeding  
23 with respect to Plaintiff's use of registration of its INSTAPRINTS mark because Instagram has  
24 misused its trademark rights by attempting to enforce its rights beyond their lawful scope with the  
25 intent to stifle competition.

26     ///

**COUNT VII****VIOLATION OF ANTITRUST LAWS**

(15 U.S.C. § 1115(b)(7); 15 U.S.C. § 2)

88. Plaintiff incorporates by reference the allegations in the preceding paragraphs of the Complaint.

89. Defendant is using its trademark to violate the antitrust laws of the United States in violation of 15 U.S.C. § 1115(b)(7) and the Sherman Act, 15 U.S.C. § 2.

90. Instagram's policy of allowing, or even encouraging, businesses based on the Instagram technical platform to incorporate the prefix "Insta" or the suffix "gram" reflected Instagram's understanding and tacit admission of the weakness of these "insta" and "gram" elements outside of Defendant's composite INSTAGRAM mark. Indeed, in a 2014 FAQ section on the Instagram website, Instagram indicated in response the question of where the INSTAGRAM mark derived from that "When we were kids we loved to play around with cameras. We loved how different types of old cameras marketed themselves as "instant" – something we take for granted today. We also felt that the snapshots people were taking were kind of like telegrams in that they got sent over the wire to others – so we figured why not combine the two?" A true and correct copy of these FAQ's of Instagram is attached hereto as Exhibit B. Therefore, by its own admission, Instagram has acknowledged that the component parts of its mark are descriptive and, hence, weak on their own.

91. Despite its knowledge about the inherent weakness in the component parts of its Instagram marks, Defendant has undertaken a campaign within the Trademark Office to engage in exclusionary behavior through oppositions and/or filing extensions of time relating to a large number of marks, the majority of which fall outside of Defendant's relevant market and that incorporate the inherently weak prefix "Insta" or inherently weak suffix "gram" and all give vastly differing commercial impressions, including: DOODIEGRAM 86/538809, INSTACAST 86/496,627 and INSTAEDU 86/233,316, MIRRORGRAM 85/829,301, LOKOGRAM GO GLOBAL BE LOCAL 86/413,092, FLIPAGRAM 86/042,264, PICTO-GRAM 85/728,954, PIX-O-GRAM 85/728,951, APPRECIGRAM 86/172,733, WEDSTAGRAM 86/184,707,



1 DATESTAGRAM 86/157,015, SELFIEGRAM 79/143,187, CENSORGRAM 86/182,362,  
 2 MEMORYGRAM 86/246,833, 86/255,635, PAINTAGRAM 86/091,233, KAVAGRAM  
 3 86/331,386, ADGRAM 86/308,589, SLIDERGRAM 86/345,267, SONGSTERGRAM  
 4 86/035,702, TATTYGRAM 86/002,070, TALLYGRAM 85/731,332, MIXTAGRAM  
 5 85/961,202, EVERGRAM 85/613,424, SKINAGRAM 85/833,439, WEBGRAMPRO 86/364,528,  
 6 DISAGRAM 86/386,622, HEALOGRAM 86/391,410, 86/391,408, 86/391,404,  
 7 SHOWMEGRAM 86/397,280, ABSTAGRAM 86/377,951, SATGRAM 86/447,205,  
 8 FUTUREGRAM 86299,301, HASHGRAM 86/254,609, TAGAGRAM 86/158,345,  
 9 KARAOKEGRAM 85/916,630, TERRAGRAM 86/115,364, INSTAJAMZ 86/073,614,  
 10 INSTASTIX 86/030,687, INSTASNAGG 86/248,253, INSTACLIQUE 86/241,091,  
 11 INSTACELEBS 86/290,902, INSTA PHOTO BOOTH 86/335,622, INSTAMOUR 86/122,354,  
 12 INSTAEDU 86/233,316, INSTAPICS 86/218,129, INSTASONG 86/131,994, INSTAVEME  
 13 86/227,189, INSTALOVE 86/433,541, INSTADME 86/229,331, INSTAGATOR 86/441,518,  
 14 INSTAPRAYER 86/022,405, INSTAAPPT 86/414,621, INSTAPLY 85/850,549, INSTAMEET  
 15 85/826,116, INSTACURITY 85/882,797, INSTAPICFRAME 85/857,016; 85/933,904,  
 16 INSTACUBE 85/960,968, INSTAFRAME 85/857,021, INSTAGOOD 85/883,219,  
 17 INSTABANG 86/036,656, INSTAPEER 86/156,316, INSTRUCTAGRAM 85/732,588,  
 18 INSTAFAN 85/827,826, INSTAGRILLE 85/619,623.

19       92. Upon information and belief, the Defendant's opposition notices and extensions of  
 20 time to oppose filed have been accompanied by demands that the applicants abandon their marks  
 21 and adopt new marks, despite their adoption of the inherently weak components of either "insta"  
 22 or "gram." Such claims are therefore inherently baseless. This is particularly true given  
 23 Defendant's own longstanding history of not only allowing, but encouraging, companies using  
 24 the Instagram technical platform to use the prefix "insta" or the suffice "gram" in their marks.  
 25 Instagram's latest campaign against such uses, and even uses that have nothing to do with  
 26 Instagram's business and do not incorporate any Instagram APIs, underscores the lack of merit of  
 27 Instagram's current litigation campaign.

1           93.     Upon information and belief, Defendant has thus undertaken to oppose many of  
 2 these marks in an effort to restrict competition by suppressing business and reserving for itself a  
 3 future retail product market. A complete list of Defendant's oppositions with accompanying  
 4 goods and services of the opposed applications is attached hereto as Exhibit G.

5           94.     The Defendant is therefore using the INSTAGRAM mark itself as the instrument  
 6 to extend its trademark monopoly beyond its legal limits through trademark opposition notices  
 7 and attendant enforcement efforts.

8           95.     Defendant's conduct in bringing a series of *inter partes* proceedings accompanied  
 9 by implied threats of litigation constitute an antitrust violation because a large number of the  
 10 proceedings are objectively baseless and were initiated with the intent to interfere directly with  
 11 Plaintiff's business and/or to monopolize a particular industry. As such, Defendant's actions  
 12 satisfy the "sham" exception to Noerr-Pennington immunity.

13           96.     The Defendant is engaging in other anti-competitive acts with respect to the  
 14 components "INSTA" and "GRAM," including threatening communications with the specific  
 15 intent of stifling competition and reserving future business to itself, resulting in actual damages to  
 16 Plaintiff and others through expenses incurred to defend against opposition challenges at the U.S.  
 17 Patent and Trademark Office, and potential uncertainty regarding further investment in Plaintiff's  
 18 business and other businesses associated with the opposed marks. These actions have been  
 19 brought in bad faith and to harass and therefore are not shielded by the Noerr-Pennington  
 20 doctrine.

21           97.     The result of Defendant's actions has been that a number of businesses that were  
 22 operating lawfully have abandoned their trademark applications including LOKOGRAM offering  
 23 advertising services through electronic media; ABSTAGRAM offering computer medical  
 24 software and photo software for modifying photos of your abdominal muscles; WEBGRAMPRO  
 25 offering on-line software to facilitate online forums for meetings, classes, etc.;  
 26 INSTAPICFRAME offering computer software for video and photo image processing;  
 27 INSTACLIQUE offering software that allows sellers to promote goods by publishing user  
 28 content; HASHGRAM offering advertisement services featuring sponsored tags and images;

1 INSTAVEME offering software for creating, uploading, and editing video memes;  
 2 APPRECIGRAM offering online non-downloadable software to facilitate the creation of greeting  
 3 cards, announcements, slideshows, and invitations; TAGAGRAM offering services to transmit  
 4 electronic pet photos; TERRAGRAM offering online social networking services; INSTAJAMZ  
 5 offering software that adds music and sound effects to video; INSTASTIX offering personalized  
 6 decorative household magnets; TATTYGRAM offering social online services related to tattoo art;  
 7 TALLYGRAM offering online software that facilitates social introductions; INSTAMEET  
 8 offering online video conferencing software.

9 98. Upon information and belief, Defendants' series of legal proceedings, many of  
 10 which were initiated without probable cause, are not brought with a genuine interest in redressing  
 11 grievances, but as a pattern of litigation brought for the purpose of harassment and/or for injuring  
 12 or preventing lawful competition.

13 99. Defendant's objectively baseless trademark challenges and threats, its pattern of  
 14 sham opposition activities undertaken in bad faith have reduced and injured and will continue to  
 15 reduce and injure competition in the relevant marks or submarkets.

## 16 **COUNT VIII**

### 17 **UNFAIR COMPETITION**

18 (Cal. Bus. & Prof. Code § 17200)

19 100. Plaintiff incorporates by reference the allegations in the preceding paragraphs of  
 20 the Complaint.

21 101. Defendant is using its INSTAGRAM marks to violate the antitrust laws of the  
 22 United States in violation of 15 U.S.C. § 1115(b)(7) and the Sherman Act, 15 U.S.C. § 2.

23 102. Defendant has undertaken a campaign within the Trademark Office to engage in  
 24 exclusionary behavior through opposition and/or filing extensions of time relating to a large  
 25 number of marks, the majority of which fall outside of Defendant's relevant market, including:  
 26 DOODIEGRAM 86/538809, INSTACAST 86/496,627 and INSTAEDU 86/233,316,  
 27 MIRRORGRAM 85/829,301, LOKOGRAM GO GLOBAL BE LOCAL 86/413,092,  
 28 FLIPAGRAM 86/042,264, PICTO-GRAM 85/728,954, PIX-O-GRAM 85/728,951,

1 APPRECIGRAM 86/172,733, WEDSTAGRAM 86/184,707, DATESTAGRAM 86/157,015,  
 2 SELFIEGRAM 79/143,187, CENSORGRAM 86/182,362, MEMORYGRAM 86/246,833,  
 3 86/255,635, PAINTAGRAM 86/091,233, KAVAGRAM 86/331,386, ADGRAM 86/308,589,  
 4 SLIDERGRAM 86/345,267, SONGSTERGRAM 86/035,702, TATTYGRAM 86/002,070,  
 5 TALLYGRAM 85/731,332, MIXTAGRAM 85/961,202, EVERGRAM 85/613,424,  
 6 SKINAGRAM 85/833,439, WEBGRAMPRO 86/364,528, DISAGRAM 86/386,622,  
 7 HEALOGRAM 86/391,410, 86/391,408, 86/391,404, SHOWMEGRAM 86/397,280,  
 8 ABSTAGRAM 86/377,951, SATGRAM 86/447,205, FUTUREGRAM 86299,301,  
 9 HASHGRAM 86/254,609, TAGAGRAM 86/158,345, KARAOKEGRAM 85/916,630,  
 10 TERRAGRAM 86/115,364, INSTAJAMZ 86/073,614, INSTASTIX 86/030,687, INSTASNAGG  
 11 86/248,253, INSTACLIQUE 86/241,091, INSTACELEBS 86/290,902, INSTA PHOTO BOOTH  
 12 86/335,622, INSTAMOUR 86/122,354, INSTAEDU 86/233,316, INSTAPICS 86/218,129,  
 13 INSTASONG 86/131,994, INSTAVEME 86/227,189, INSTALOVE 86/433,541, INSTADME  
 14 86/229,331, INSTAGATOR 86/441,518, INSTAPRAYER 86/022,405, INSTAAPPT 86/414,621,  
 15 INSTAPLY 85/850,549, INSTAMEET 85/826,116, INSTACURITY 85/882,797,  
 16 INSTAPICFRAME 85/857,016; 85/933,904, INSTACUBE 85/960,968, INSTAFRAME  
 17 85/857,021, INSTAGOOD 85/883,219, INSTABANG 86/036,656, INSTAPEER 86/156,316,  
 18 INSTRUCTAGRAM 85/732,588, INSTAFAN 85/827,826, INSTAGRILLE 85/619,623.

19       103. Upon information and belief, the Defendant's opposition notices and extensions of  
 20 time to oppose filed have been accompanied by demands that the applicants abandon their marks  
 21 and adopt new marks, despite their adoption of the inherently weak components of either "insta"  
 22 or "gram." Such claims are therefore inherently baseless. This is particularly true given  
 23 Defendant's own longstanding history of not only allowing, but encouraging, companies using  
 24 the Instagram technical platform to use the prefix "insta" or the suffice "gram" in their marks.  
 25 Instagram's latest campaign against such uses, and even uses that have nothing to do with  
 26 Instagram's business and do not incorporate any Instagram APIs, underscores the lack of merit of  
 27 Instagram's current litigation campaign.

1           104. Upon information and belief, Defendant has thus undertaken to oppose many of  
 2 these marks in an effort to restrict competition by suppressing business and reserving for itself a  
 3 future retail product market. A complete list of Defendant's oppositions with accompanying  
 4 goods and services of the opposed applications is attached hereto as Exhibit G.

5           105. The Defendant is therefore using the INSTAGRAM mark itself as the instrument  
 6 to extend its trademark monopoly beyond its legal limits through trademark opposition notices  
 7 and attendant enforcement efforts.

8           106. Defendant's conduct in bringing a series of *inter partes* proceedings accompanied  
 9 by implied threats of litigation constitute an antitrust violation because a large number of the  
 10 proceedings are objectively baseless and were initiated with the intent to interfere directly with  
 11 Plaintiff's business and/or to monopolize a particular industry. As such, Defendant's actions  
 12 satisfy the "sham" exception to Noerr-Pennington immunity.

13           107. The Defendant is engaging in other anti-competitive acts with respect to the  
 14 components "INSTA" and "GRAM," including threatening communications with the specific  
 15 intent of stifling competition and reserving future business to itself, resulting in actual damages to  
 16 Plaintiff and others through expenses incurred to defend against opposition challenges at the U.S.  
 17 Patent and Trademark Office, and potential uncertainty regarding further investment in Plaintiff's  
 18 business and other businesses associated with the opposed marks. These actions have been  
 19 brought in bad faith and to harass and therefore are not shielded by the Noerr-Pennington  
 20 doctrine.

21           108. The result of Defendant's actions has been that a number of businesses that were  
 22 operating lawfully have abandoned their trademark applications including LOKOGRAM offering  
 23 advertising services through electronic media; ABSTAGRAM offering computer medical  
 24 software and photo software for modifying photos of your abdominal muscles; WEBGRAMPRO  
 25 offering on-line software to facilitate online forums for meetings, classes, etc.;  
 26 INSTAPICFRAME offering computer software for video and photo image processing;  
 27 INSTACLIQUE offering software that allows sellers to promote goods by publishing user  
 28 content; HASHGRAM offering advertisement services featuring sponsored tags and images;

1 INSTAVEME offering software for creating, uploading, and editing video memes;  
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 5 offering software that adds music and sound effects to video; INSTASTIX offering personalized  
 6 decorative household magnets; TATTYGRAM offering social online services related to tattoo art;  
 7 TALLYGRAM offering online software that facilitates social introductions; INSTAMEET  
 8 offering online video conferencing software.

9 109. Upon information and belief, Defendants' series of legal proceedings, many of  
 10 which were initiated without probable cause, are not brought with a genuine interest in redressing  
 11 grievances, but as a pattern of litigation brought for the purpose of harassment and/or for injuring  
 12 or preventing lawful competition.

13 110. Defendant's objectively baseless trademark challenges and threats, its pattern of  
 14 sham opposition activities undertaken in bad faith have reduced and injured and will continue to  
 15 reduce and injure competition in the relevant marks or submarkets.

16 111. Defendant's acts, as alleged above, constitute unlawful and/or unfair business  
 17 practices in violation of the California Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code  
 18 § 17200, *et seq.* Defendants' acts are unlawful and/or unfair under the UCL.

19 112. Defendant's acts of unfair competition in the State of California have caused  
 20 Plaintiff irreparable injury. Plaintiff is informed and believes that unless said conduct is enjoined  
 21 by this Court, Defendant will continue and expand those activities to the continued and  
 22 irreparable injury of Plaintiff and the free market. This injury includes but is not limited to harm  
 23 to free competition that cannot be remedied through damages, and Plaintiff has no adequate  
 24 remedy at law. Plaintiff is entitled to a permanent injunction restraining and enjoining Defendant  
 25 and its agents, servants, employees, and all persons acting thereunder, in concert with, or on their  
 26 behalf, from engaging in the anticompetitive acts alleged herein.

113. As a direct and proximate result of Defendant's statutory unfair competition under federal antitrust laws, Defendant has been unjustly enriched in an amount to be determined at trial.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for:

1. A Declaratory Judgment that:

a. Plaintiff's past, present, and continued use and registration of the mark INSTAPRINTS in connection with its business does not and will not infringe or dilute any of Instagram's trademark or trade name rights, or unfairly compete with Defendant, or falsely designate the origin of Plaintiff's services, or otherwise constitute a violation of any of Defendant's rights;

b. Defendant is prevented from enforcing its rights in the INSTAGRAM mark against Plaintiff as the result of equitable defenses laches, estoppel and/or acquiescence.

c. Defendant, its officers, agents, servants, employees and attorneys, and those persons in active concert or participation or otherwise in privity with them, be permanently enjoined and restrained from instituting, prosecuting, or threatening any action against Plaintiff, or any of its affiliates, or anyone in privity with Plaintiff, with respect to Plaintiff's use or registration of INSTAPRINTS in connection with its business;

2. A finding that Defendant's conduct violates Section 2 of the Sherman Act, 15 U.S.C. § 2.

3. A finding that Defendant's conduct violates Section 17200 of the California Business & Professions Code.

4. Damages sustained by Plaintiff as the proximate result of Defendant's violation of the antitrust laws;

5. Damages sustained by Plaintiff as the proximate result of Defendant's violation of California Business & Professions Code § 17200;

6. Treble the amount of damages sustained by Plaintiff as the proximate result of Defendant's violation of the antitrust laws;

1           7.       Plaintiff's costs and reasonable attorneys' fees incurred in bringing this action  
2 against Defendant for violation of the antitrust laws; and

3           8.       Such other and further relief as the Court may deem just and proper.

4 Dated: August 6, 2015

Respectfully submitted,

PIXELS.COM, LLC

8 By: /s/ Vijay K. Toke

9 Vijay K. Toke

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Attorneys for Plaintiff,  
PIXELS.COM, LLC



**DEMAND FOR JURY TRIAL**

Plaintiff Pixels.com, LLC hereby demands a jury trial as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

Dated: August 6, 2015

Respectfully submitted,

PIXELS.COM, LLC

By: /s/ Vijay K. Toke

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